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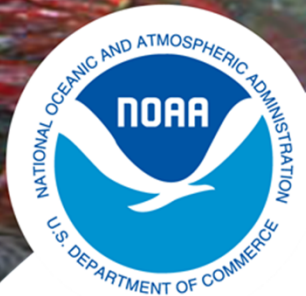
West Coast
Region

Program Improvement and Enhancement Rule (PIE 2) Workshop

December 11, 2013

1pm to 4pm (PST)

http://www.westcoast.fisheries.noaa.gov/fisheries/groundfish_catch_shares/index.html



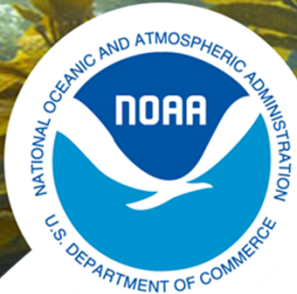
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This rule affects all commercial fishermen, processors, and lenders that participate in the Pacific Coast groundfish fishery and includes:

- Change in vessel owner process,
- Sorting requirements,
- Coop reports,
- MS/CV transfers,
- First receiver site licenses,
- Quota pound deficits
- Quota pound transfer deadline
- Lender exceptions,
- Quota share permit application and transfers.

All vessel owners and vessel account holders



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Change in Vessel Owner (applies to all limited entry permits)

- The vessel owner is responsible for registering vessel owner change(s) with NMFS and must provide the following documentation:
 1. Application form,
 2. USCG Form 1270 or state registration, and
 3. Ownership interest form, if required (Sablefish and Trawl).
- For vessel owner changes in the shorebased IFQ program, the new vessel owner must also submit a vessel account request form and may not fish against QP in the old owner's vessel account.



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Sorting requirement for full retention

- Regulations were revised to clarify that the term “predominant species” refers to a single species
- There can only be a single predominant species identified prior to re-weighing, post-sorting, or it becomes extremely difficult to derive the weight of the predominant species by deducting the combined weight of incidental catch from total catch weight

Mothership (MS) and Catcher/Processor (C/P) Coop Reports

- Coop Reporting Change
 - Previously, coops were required to submit a preliminary November report, and a March final report
 - The new regulations require only one final annual report to be submitted in March
- The Mothership (MS) and Catcher/Processor (C/P) coops must each submit an annual, final report to both NMFS and the Council in March of the following year (i.e., the annual, final report for 2014 would have to be submitted to NMFS and the Council in March 2015).

Mothership/catcher vessel (MS/CV) Transfers

- The holder of a mothership/catcher vessel (MS/CV) endorsed trawl permit that has multiple catch history assignments (CHAs) may assign each MS/CV endorsement and its associated CHA to different MS permits that may be in turn be registered to more than one coop or to both the coop and non-coop fisheries.
- NMFS will begin accepting requests for change (or transfer) of MS/CV endorsements and associated CHAs on September 1, 2014.
- Additionally, MS/CV-endorsed limited entry trawl permit owners will be required to divest themselves of ownership in permits in excess of the accumulation limits by August 31, 2016. The accumulation limit for CHAs is 20%.

First Receiver Site License (FRSL) Changes

- **Effective Dates:** Each FRSL is effective from the date listed on the FRSL until June 30 of each year, regardless of when the permit was issued. This change replaces the previous effective dates (a year from the date of issuance) for FRSLs.
- **Site Inspections:** Each FRSL holder must have a site inspection for the site given on the license at least once every three years (instead of annually, as previously required).
- **Catch Monitor (CM) Plan:** A CM plan is a requirement for a complete FRSL application; any NMFS required changes must be implemented at the site prior to acceptance of the FRSL CM plan.
- **Re-registration of FRSLs:** A complete re-registration application is due annually, no later than April 15 to ensure that the new FRSL is issued effective July 1.
- **New Prohibition:** Both first receivers and those making landings to first receivers are equally responsible for ensuring that the first receiver holds a valid first receiver site license prior to receiving an IFQ landing at an authorized physical site.

Quota Pound (QP) Deficits

- A QP deficit occurs when catch exceeds available vessel account balance and results in a negative balance for that species. If your vessel account has a negative balance for any species, you have two options:
 - (1) Transfer sufficient amounts of QP or IBQ pounds into the vessel account within 30 days to cover the deficit (30 days will begin from the *day and time* the deficit occurs in the vessel account); or
 - (2) The vessel account owner declares out of the Shorebased IFQ Program for the year in which the deficit occurred. The vessel account owner must submit a signed, dated, and notarized letter to the Office of Law Enforcement (OLE), declaring out of the Shorebased IFQ Program for the remainder of the year and invoking the carryover provision to cover the deficit. Signed, dated, and notarized letters may be submitted to NMFS, Northwest Region, Office of Law Enforcement, ATTN VMS, Bldg. 1, 7600 Sand Point Way NE., Seattle, WA 98115.
- Under the new regulations, if the vessel account owner covers the deficit later within the same calendar year, the vessel may re-enter the Shorebased IFQ Program. If the deficit occurs less than 30 days before the end of the calendar year, exiting out of the Shorebased IFQ Program for the remainder of the year is not required.
- For any vessel account with a deficit, the vessel may not go out on an IFQ fishing trip again until the deficit is covered.

Quota Pound (QP) Transfer Deadline

- The prohibition on transfer of QP between vessel accounts from December 15-31 each year has been removed
- Effective December 15, 2013, QP may be transferred between vessel accounts during each calendar year, January 1 through December 31

Lenders and QS/IBQ Limits

- Control rules limit the amount of QS/ IBQ that may be owned by a participant in the fishery.
- Banks or other financial institutions that are regularly or primarily engaged in the business of lending and NOT engaged in or controlled by entities whose primary business is the harvesting, processing, or distribution of fish or fish products are excepted from the control rules.
- Any entity that is not a state or federally chartered bank or financial institution must submit a letter to NMFS requesting the exception and disclose the identity and interest share of any shareholder with a 2% or more ownership interest in the lender through submission of the Trawl Identification of Ownership Interest Form.
- To use the exception, resubmit the form annually

Quota Share (QS) Permit Application

- A **QS permit** allows a person to own QS or individual bycatch quota (IBQ) for designated species and species groups to fish in the Shorebased IFQ Program
- QS permit applications will be accepted starting **January 1, 2014**
- **Who may apply for a QS permit?**
 - (A) A United States citizen, that is eligible to own and control a U.S. fishing vessel
 - (B) A permanent resident alien, that is eligible to own and control a U.S. fishing vessel
 - (C) A corporation, partnership, or other entity established under the laws of the United States or any State, that is eligible to own and control a U.S. fishing vessel

QS Permit Application

- How do I apply for a QS permit, if I don't already have one?

You must submit the following to NMFS:

- (1) a QS Permit Application Form, and
- (2) a Trawl Identification of Ownership Interest Form.

These forms can be found online at the Quota Share Permits & Accounts page of the West Coast Regional website.

- A QS permit application will not be processed unless any required EDCs have been submitted (see Compliance Guide, p.6)
- Upon approval, NMFS will issue a QS permit and QS account

QS Permit Renewals

- The QS permit is effective on the date given on the permit and remains effective until the end of the calendar year.
- A QS permit is not transferrable to another person, business or entity. Only the QS percentages are transferrable, not the permit itself.
- QS permits must be renewed online annually, between October 1 and November 30, to receive quota pound allocations and perform QS transfers.
- If a complete QS permit renewal package is not received by November 30, the QS permit and associated QS account will not be renewed/ activated for the start of the following calendar year, and QS may not be transferred. NMFS will not issue QP or IBQ pounds associated with the non-renewed QS permit for that year. Any QP or IBQ pounds derived from the QS or IBQ in the inactive QS account will be distributed to the active QS accounts in proportion to the QS or IBQ for each IFQ species given on the renewed QS permit.
- **However**, even if a QS permit is not renewed during the October 1 through November 30 renewal period, the QS permit owner may renew after January 1 in the following year by submission of a paper renewal application, or may renew the QS permit during the next October 1 through November 30 renewal period. For renewals submitted after January 1, QP will not be allocated to the QS account in that year. The QS permit owner will be able to transfer QS percentages from the time the QS account is activated until November 30 of that calendar year.

QS Accounts

- A QS account is a web-based online accounting system similar to an online banking account
- You must have access to a computer with internet access in order to set up and use your QS account
- You may log into your account with a NMFS provided user id and password
- In order to use the QP or IBQ associated with your QS, you must transfer the QP to a vessel account by September 1 each year

QS Transfers

- Quota share (QS) transfer will begin on **January 1, 2014** for all species, except widow rockfish
- Any transfer of QS is a transfer of % value to another QS owner; QPs are transferred separately from QS account to a vessel account
- Any transfer of QS will be registered in the QS account in the current year, but will not be effective for the purposes of allocating QP until the start of the following year
- The transfer of QS to and from QS permits/accounts that have not been renewed is prohibited.

An underwater scene with green seaweed and a fish in the background.

Next:

QS Trading Demo Q&A



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